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The Conference Board

A Monthly Report from the Consumer Research Center December 1990

Consumer Confidence Survey

November results

Consumers Continue to be Pessimistic

After registering a major decline in August, and again in October, the measure of consumer confidence edged down marginally in November. The current Index reading (1985=100) is 61.5, an insignificant loss of one point for the month. People are now less positive in their evaluation of ongoing conditions, and their expectations for the next six months remain at a very low level. Buying plans are also slightly weaker than last time.

More than 30 percent of all survey participants now say that current business conditions are "bad," only about 14 percent consider them to be "good." These readings are slightly less favorable than in the preceding probe. There was a moderate decline in the number of those that say jobs are "plentiful."

In looking ahead to the next six months, people continue to be pessimistic about the employment situation. About four times as many respondents expect there to be fewer jobs six months hence as the number that believe there will be more jobs. Concerning future business conditions in general, people are slightly more negative than a month ago. However, in their expectations of their families' income in the months ahead, there has been some modest improvement.

Buying plans are generally a bit weaker than in October. Plans to buy a car were indicated by 6.3 percent of all respondents, the same as last month. Intentions to purchase a home edged down to 2.7 percent, from a prior 2.9 percent. Interest in purchasing major appliances is also weaker than a month ago.

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

The current Consumer Confidence Index figure is clearly at recession level. The November reading is only marginally better than that recorded at the lowest point registered during the 1982 economic downturn. The consumer's deflated mood evidently reflects the general weakening of the economy. Rising unemployment and higher prices, experienced in recent months, evidently threaten the consumer's sense of security. Still, the extent to which the economy has weakened has been relatively moderate. Certainly, it has not been of a magnitude which would explain the plunge of 40 points in the measure of confidence since July. It is likely that political developments—the Gulf crisis and the pending increase in taxes resulting from the revised Federal Budget—may have contributed to the precipitous decline in the consumer's spirits.

Fabian Linden

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

Business **Employment** **Income**

All series seasonally adjusted.	1989 *Nov.*	1989 *Dec.*	1990 *Jan*	1990 *Feb.*	1990 *Mar.*	1990 *Apr.*	1990 *May*	1990 *Jun.*	1990 *Jul.*	1990 *Aug.*	1990 *Sep.*	1990 *Oct.(r)*	1990 *Nov.(p)*
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	115.1	113.0	106.5	106.7	110.6	107.3	107.3	102.4	101.7	84.7	85.6	62.6	61.5
Present Situation	132.3	125.9	120.7	126.3	123.7	119.4	117.8	111.1	116.6	100.4	97.5	73.2	69.5
Expectations	103.7	104.4	97.0	93.7	101.9	99.2	100.3	96.6	91.8	74.2	77.7	55.6	56.2
Appraisal of Present Situation: Percent													
Business Conditions													
Good	26.2	25.1	22.7	25.1	24.9	23.8	23.1	22.6	23.4	20.8	19.4	14.2	14.2
Bad	15.2	17.3	18.9	18.1	19.7	19.3	19.7	20.1	20.7	23.5	24.6	28.9	30.4
Normal	58.6	57.6	58.4	56.8	55.4	56.9	57.2	57.3	55.9	55.7	56.0	56.9	55.4
Employment													
Jobs plentiful	29.6	27.0	27.2	28.1	29.2	26.6	26.9	23.4	25.6	21.4	20.6	15.3	13.8
Jobs not so plentiful	49.7	52.4	51.2	51.4	49.0	51.1	50.2	52.9	52.3	52.8	54.3	54.9	56.9
Jobs hard to get	20.7	20.6	21.6	20.5	21.8	22.3	22.9	23.7	22.1	25.8	25.1	29.8	29.3
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	17.6	18.3	17.0	16.7	19.4	17.2	18.5	17.5	17.3	13.7	15.1	12.0	11.2
Worse	8.3	8.1	9.7	11.4	9.5	9.2	9.7	10.4	11.9	18.7	20.4	29.7	29.5
Same	74.1	73.6	73.3	71.9	71.1	73.6	71.8	72.1	70.8	67.6	64.5	58.3	59.3
Employment													
More jobs	16.1	16.6	14.6	14.3	16.6	15.4	15.9	15.5	14.6	11.3	13.9	9.5	9.7
Fewer jobs	14.0	14.9	16.8	17.4	15.4	16.2	16.3	16.5	18.0	22.7	23.2	34.9	34.4
Same	69.9	68.5	68.6	68.3	68.0	68.4	67.8	68.0	67.4	66.0	62.9	55.6	55.9
Income													
Increase	29.3	30.2	28.7	26.6	27.6	29.3	26.6	27.2	27.8	24.2	26.5	19.5	22.3
Decrease	6.3	5.9	6.1	6.0	6.3	6.3	5.2	7.0	7.8	8.5	8.7	11.0	11.5
Same	64.4	63.9	65.2	67.4	66.1	64.4	68.2	65.8	64.4	67.3	64.8	69.5	66.2
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	6.9	7.1	7.5	7.6	8.1	6.2	8.3	8.4	8.8	7.5	7.8	6.3	6.3
New	3.2	3.3	4.1	3.2	4.0	3.7	4.0	4.0	3.3	4.3	3.8	3.3	2.1
Used	2.9	2.8	3.0	3.3	3.3	2.1	3.1	3.3	4.6	2.9	2.7	2.0	3.3
Uncertain	0.8	1.0	0.4	1.1	0.8	0.4	1.2	1.1	0.9	0.3	1.3	1.0	0.9
Home													
Yes	3.0	3.3	3.6	4.1	3.9	2.9	3.9	3.6	4.3	3.0	2.9	2.9	2.7
New	1.1	0.8	0.9	1.0	1.2	0.8	1.1	0.9	0.8	1.0	0.8	0.6	0.9
Lived in	1.5	1.7	1.9	1.9	1.6	1.4	2.0	1.8	2.5	1.3	1.2	1.7	1.3
Uncertain	0.4	0.8	0.8	1.2	1.1	0.7	0.8	0.9	1.0	0.7	0.9	0.6	0.5
Major appliances													
Total plans	25.7	28.8	30.8	31.5	31.9	31.3	29.5	28.8	27.4	32.8	30.3	26.0	24.8
Refrigerator	3.8	4.1	5.2	4.3	5.1	4.5	5.2	4.4	4.4	5.4	4.8	3.6	3.5
Washing machine	3.7	4.4	3.8	4.8	4.4	3.6	3.7	4.1	4.2	4.3	3.9	3.6	3.1
TV Set	6.2	7.9	7.0	7.8	7.3	7.8	6.8	6.9	6.3	7.8	7.7	7.0	6.7
Vacuum Cleaner	4.6	5.0	5.6	5.1	6.3	6.0	5.3	4.5	4.4	6.1	5.7	4.1	4.5
Range	2.8	2.3	3.3	3.1	2.9	3.5	3.0	3.0	3.2	2.7	3.0	2.9	2.3
Clothes dryer	3.1	3.4	3.3	3.7	3.8	3.8	3.3	3.9	2.7	4.0	3.2	3.2	2.7
Air conditioner	1.5	1.7	2.6	2.7	2.1	2.1	2.2	2.0	2.2	2.5	2.0	1.6	2.0
Carpet	5.8	6.4	6.2	6.9	6.5	6.2	6.2	6.6	7.0	7.3	6.7	5.9	5.1
Vacation Intended Within Six Months: Percent													
Vacation Intended		52.4		49.9		48.1		48.6		48.9		45.9	
Destination													
U.S.		44.4		42.8		41.1		42.2		41.8		40.0	
Foreign country		9.5		9.3		8.8		8.1		9.2		7.5	
Means of travel													
Automobile		29.6		28.7		28.6		29.4		29.4		27.7	
Airplane		19.7		19.6		18.8		19.4		17.9		16.4	
Other		4.9		4.4		3.8		3.3		4.6		3.9	

(p)—preliminary (r)—revised

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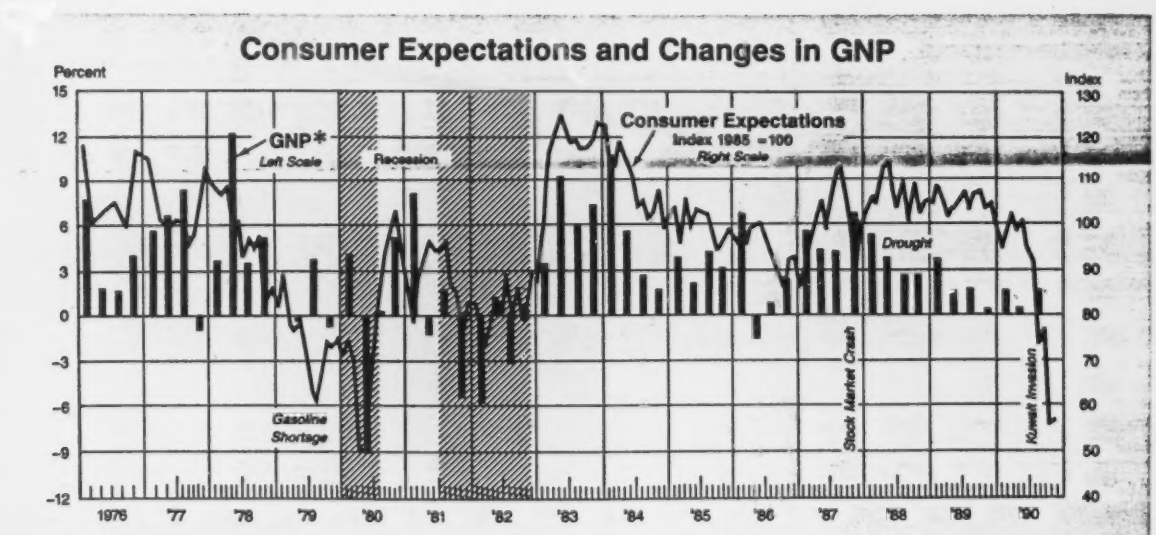
Inflation Interest Rates Stock Prices

Not seasonally adjusted	1989 Nov.	1989 Dec.	1990 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.(r)	Nov.(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.7	4.7	5.2	4.8	4.9	4.9	4.9	4.9	4.9	5.4	5.7	6.4	5.9
Interest Rates													
Higher	52.1	49.0	47.2	52.5	58.7	54.5	62.6	56.2	49.5	58.4	64.2	57.4	53.0
Same	27.7	25.9	24.1	26.0	23.9	28.2	23.2	25.3	29.3	20.9	18.8	18.0	22.2
Lower	20.2	25.1	28.7	21.5	17.4	17.3	14.2	18.5	21.2	20.7	17.0	24.6	24.8
Stock Prices													
Increase	38.0	42.2	41.6	35.0	39.0	36.8	38.7	43.6	38.5	30.3	31.4	26.8	25.6
Same	36.9	34.9	35.1	35.7	34.8	37.4	37.0	34.8	36.7	30.9	28.8	25.0	28.4
Decrease	25.1	22.9	23.3	29.3	26.2	25.8	24.3	21.6	24.8	38.8	39.8	48.2	46.0

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers: 1985 = 100	1989 Nov.	1989 Dec.	1990 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct. (r)	Nov.(p)	3 mos. Percent Change*
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	127.2	121.2	115.4	119.3	122.4	116.1	118.9	111.9	114.5	100.9	94.2	81.9	79.3	- 22.0
35-54	115.5	112.5	105.8	107.9	110.8	109.8	106.7	100.9	102.2	85.0	86.6	61.6	60.0	- 27.8
55 and over	103.7	105.3	96.5	91.3	98.4	94.3	95.2	94.1	88.4	70.2	76.6	50.0	50.3	- 30.0
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under $15,000	84.7	89.4	80.9	78.1	84.5	78.7	83.2	75.4	79.8	59.0	71.6	50.7	46.8	- 21.1
$15,000-24,999	113.4	106.6	97.6	97.1	100.5	106.1	103.1	91.9	98.8	83.4	80.7	55.0	62.3	- 27.8
$25,000 and over	127.3	124.3	118.4	119.9	123.7	119.1	117.9	116.7	109.8	96.0	91.8	69.9	68.1	- 28.8

***Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**



* Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985 = 100	1989 Nov.	1989 Dec.	1990 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.(r)	Nov.(p)	AVERAGE: Sept., Oct., Nov. 1989	1990	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	92.7	92.9	72.4	80.5	85.7	64.6	69.9	51.6	42.5	29.2	39.4	23.0	27.3	108.8	29.9	–72.5
Present Situation	129.8	130.3	101.3	105.4	96.8	71.9	68.2	53.3	38.3	22.5	29.9	9.2	10.9	158.2	16.6	–89.5
Expectations	67.9	68.0	53.2	63.9	78.3	59.7	71.1	50.5	45.4	33.8	45.8	32.2	38.2	75.9	38.8	–49.0
MIDDLE ATLANTIC																
Consumer Confidence Index	120.9	113.3	109.0	101.4	98.6	95.1	99.7	91.5	86.0	69.8	75.7	58.9	49.6	120.3	60.7	–49.5
Present Situation	151.9	144.2	128.7	126.6	111.1	108.9	106.6	111.9	104.7	92.2	96.6	74.3	53.8	150.9	74.9	–50.4
Expectations	100.2	92.8	95.9	84.6	90.3	85.9	95.1	78.0	73.5	54.8	61.7	45.3	46.8	99.9	51.3	–48.7
EAST NORTH CENTRAL																
Consumer Confidence Index	114.3	113.8	105.5	102.4	110.7	108.3	109.0	102.3	104.1	88.8	87.8	72.7	66.2	117.8	75.5	–35.9
Present Situation	139.3	130.6	119.4	117.2	117.2	123.4	127.0	118.1	125.3	111.1	113.5	101.2	87.4	143.0	100.7	–29.6
Expectations	97.6	102.7	96.2	92.5	106.3	98.2	97.0	91.7	90.0	73.9	70.7	53.6	52.0	101.0	58.8	–41.8
WEST NORTH CENTRAL																
Consumer Confidence Index	112.5	103.0	95.7	98.2	92.3	101.9	92.8	94.2	94.1	78.7	68.7	67.2	60.2	105.7	65.4	–38.2
Present Situation	122.9	122.1	102.8	105.1	101.1	106.1	110.3	103.9	116.6	94.1	83.6	87.5	77.0	121.6	82.7	–32.0
Expectations	105.5	90.3	91.0	93.6	86.4	99.0	81.2	87.8	79.1	68.4	58.8	53.7	49.1	95.1	53.9	–43.4
SOUTH ATLANTIC																
Consumer Confidence Index	140.3	124.9	124.6	125.2	130.2	121.4	122.6	128.9	119.9	95.9	98.0	74.0	69.3	139.0	80.4	–42.1
Present Situation	174.8	157.3	147.7	148.3	156.8	146.4	147.0	149.2	146.9	121.3	126.3	95.4	88.6	171.8	103.4	–39.8
Expectations	117.3	103.3	109.3	109.8	112.5	104.7	106.4	115.4	101.9	79.0	79.1	59.8	56.5	117.1	65.1	–44.4
EAST SOUTH CENTRAL																
Consumer Confidence Index	104.6	99.5	90.6	87.6	101.7	91.7	79.4	87.7	96.4	76.6	90.1	55.9	46.2	102.5	64.0	–37.5
Present Situation	99.0	90.0	79.1	81.4	85.1	84.8	68.1	79.3	102.8	82.9	102.4	59.7	45.5	100.6	69.2	–31.2
Expectations	108.3	105.8	98.3	91.7	112.8	96.2	86.9	93.3	92.1	72.4	81.9	53.3	46.6	103.7	60.6	–41.6
WEST SOUTH CENTRAL																
Consumer Confidence Index	79.7	87.5	84.7	95.6	93.2	92.0	90.5	78.9	84.7	77.5	90.6	63.5	71.8	84.4	75.3	–10.8
Present Situation	54.6	48.4	43.9	58.7	57.7	60.1	58.4	51.7	59.1	58.3	62.5	44.0	46.8	49.3	51.1	3.7
Expectations	96.4	113.5	112.0	120.2	116.9	113.4	111.9	97.1	101.8	90.3	109.4	76.5	88.4	107.8	91.4	–15.2
MOUNTAIN																
Consumer Confidence Index	98.2	89.7	84.3	92.8	96.2	104.3	101.0	97.2	99.3	72.0	108.5	62.5	74.2	96.8	81.7	–15.6
Present Situation	74.7	58.1	53.7	69.0	68.2	74.9	82.2	75.8	88.0	64.1	96.5	51.4	65.6	77.6	71.2	– 8.3
Expectations	113.9	110.8	104.7	108.6	114.9	123.9	113.5	111.5	106.8	77.2	116.5	70.0	80.0	109.6	88.8	–19.0
PACIFIC																
Consumer Confidence Index	134.5	132.3	134.1	138.5	139.8	126.1	127.5	119.6	121.9	108.3	105.6	88.0	88.1	137.6	93.9	–31.8
Present Situation	167.3	169.9	166.5	174.6	167.8	160.6	165.2	151.0	168.1	153.8	143.4	120.0	129.1	173.0	130.8	–24.4
Expectations	112.7	107.3	112.6	114.4	121.1	103.2	102.4	98.7	91.1	77.9	80.4	66.7	60.8	114.0	69.3	–39.2

*Percent Change: Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.